

**LASALLE PARISH RECREATION
DISTRICT 22
OLLA, LOUISIANA**

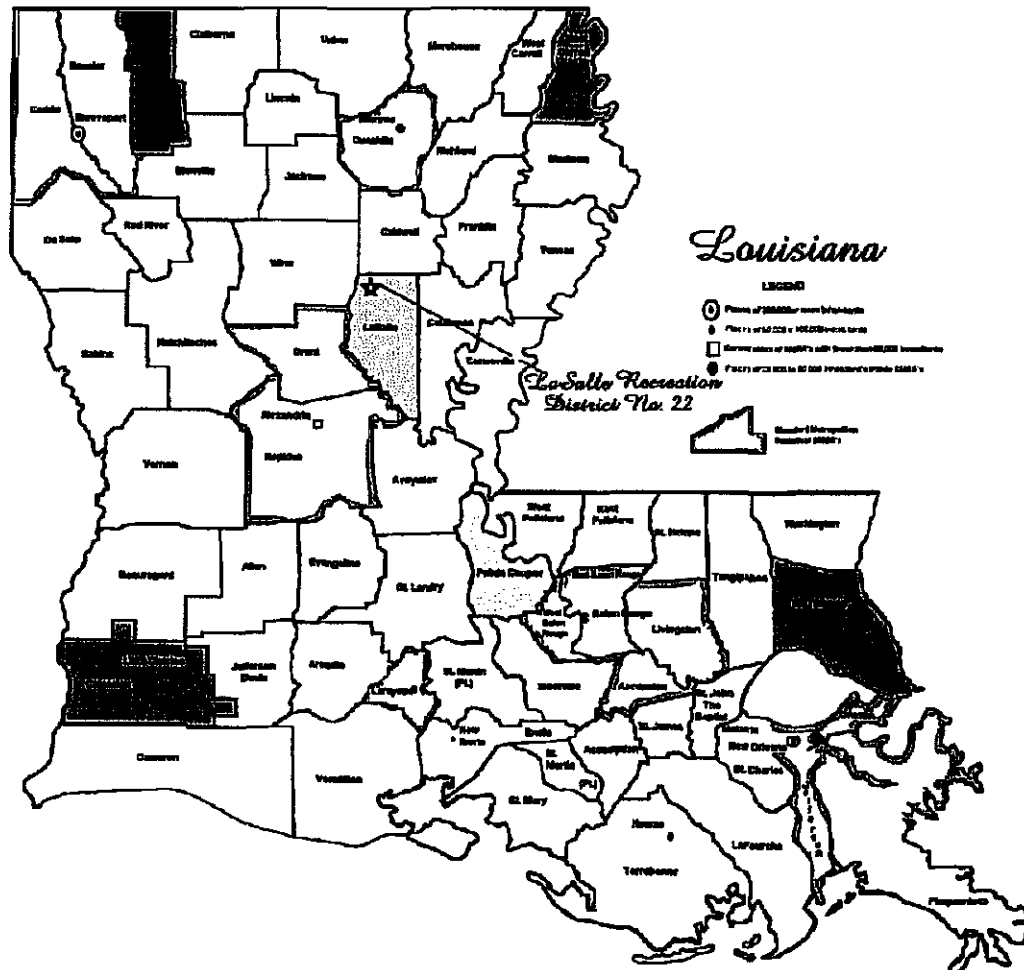
Financial Statements

December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/29/07

LASALLE RECREATION DISTRICT NO. 22
LASALLE PARISH POLICE JURY
OLLA, LOUISIANA



- LaSalle Parish Recreation District No. 22 was created by ordinance of the LaSalle Parish Police Jury on April 7, 1964, as authorized by Louisiana Revised Statute 33:4562-4566. The Recreation District is administered by a board of five commissioners who are qualified voters and residents of the District. The five commissioners are collectively referred to as the board of commissioners and are appointed by the LaSalle Parish Police Jury. The Recreation District owns and operates bowling, swimming and recreational facilities in the District to promote recreation for the general health and well-being of youth.

LaSalle Parish Recreation District 22
Olla, Louisiana

Table of Contents
December 31, 2006

	<u>Page No.</u>
Independent Accountant's Report	1
Management's Discussion and Analysis.....	2-4
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	5-7
<u>Basic Financial Statements</u>	
Statement of Net Assets.....	9
Statement of Activities.....	10
Balance Sheet.....	11
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	12
Statement of Revenues, Expenditures, & Changes in Fund Balances.....	13
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances to the Statement of Activities.....	14
Notes to the Financial Statements.....	15-22
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule.....	24
<u>Other Reports</u>	
Management Letter Comments.....	26
Management's Summary of Prior Year Findings.....	27

JOHN R. VERCHER PC
Certified Public Accountant

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

INDEPENDENT ACCOUNTANT'S REPORT

LaSalle Parish Recreation District 22
Olla, Louisiana

We have reviewed the accompanying financial statements of the governmental-type activities of the LaSalle Parish Recreation District 22, Olla, Louisiana as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LaSalle Parish Recreation District 22's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 11, 2007, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison schedule is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

John R. Vercher PC

Jena, Louisiana
June 11, 2007

LaSalle Parish Recreation District 22

PO Box 223

Olla, LA 71465

Telephone: (318) 495-5151

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the LaSalle Parish Recreation District 22's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$442,409 (*net assets*). Of this amount, \$65,718 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenue of \$260,267. This is a \$44,429 decrease from last year mainly due to the fact that the district had received an insurance settlement last year.
- The District had total expenditures of \$420,528. This is a \$307,581 increase from last year mainly due to an increase in capital purchases as a result of a tornado.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

MD&A

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

The General Fund is the primary operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

Table 1
Balance Sheet

The following table represents a Comparative Balance Sheet as of December 31, 2006:

Assets	2005	2006	% Change
Current Assets	\$ 232,837	\$ 67,192	-71.1%
Capital Assets, Net	50,183	413,625	724.2%
Total Assets	283,020	480,817	70.0%
Liabilities & Net Assets			
Current Liabilities	11,148	1,474	-86.8%
Non-Current Liabilities	43,340	36,934	-14.8%
Total liabilities	54,488	38,408	-29.5%
Net Assets			
Invested in Capital Assets, Net of Related Debt	50,183	376,691	650.6%
Unrestricted	178,349	65,718	-63.2%
Total Net Assets	228,532	442,409	93.6%
Total Liabilities & Net Assets	\$ 283,020	\$ 480,817	69.9%

MD&A

Table 2
Changes in Net Assets

The following table represents the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2006:

	<u>2005</u>	<u>2006</u>	<u>% Change</u>
Beginning Fund Balance	\$ 34,230	\$ 225,979	560.2%
Total Revenues	304,696	260,267	-14.6%
Total Expenditures	<u>(112,947)</u>	<u>(420,528)</u>	272.3%
Increase (Decrease) in Fund Balance	<u>191,749</u>	<u>(160,261)</u>	-183.6%
Ending Fund Balance	<u>\$ 225,979</u>	<u>\$ 65,718</u>	-70.9%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2006, the District had \$413,625 invested in capital assets including buildings, land, and equipment.

<u>Capital Assets</u>	
Land	\$ 12,760
Construction in Progress	400,865
Accumulated Depreciation	-0-
Total Net Capital Assets	<u>\$ 413,625</u>

Land and Construction in Progress are not being depreciated.

Debt

The District has a line of credit with Southern Heritage Bank. The remaining balance as of December 31, 2006 was \$36,934.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Dawn Stott, at the LaSalle Parish Recreation District 22, PO Box 223, Olla, Louisiana 71465, telephone number (318) 495-5151.

JOHN R. VERCHER PC
Certified Public Accountant

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the LaSalle Parish Recreation District 22

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the LaSalle Parish Recreation District 22 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the LaSalle Parish Recreation District 22's compliance with certain laws and regulations during the year ended December 31, 2006 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the Public Bid Law).

*Our review found that expenditures for public works exceeding \$100,000 or expenditures for materials and supplies exceeding \$20,000 were made in accordance with the Public Bid Law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

*We obtained a list from the District.

3. Obtain from management a listing of all employees paid during the period under examination.

*We obtained a listing of all employees from the District.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*None of the employees included on the list of employees provided by District appeared on the list provided by District in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

*We obtained the legally adopted budget. The District did not amend the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

* We traced the budget adoption to the District's minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

*We compared the revenues and expenditures and found that the revenues failed to meet the budget by 23.2%, while the expenditures were less than the budget.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and :

(a) trace payments to supporting documentation as to proper amount and payee;

*we randomly selected six disbursements using a random number generator. we examined supporting documents for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

*All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

*All of the payments received approval from proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the Open Meetings Law).

*Inquiries of management found that notices were posted at the business office of the District of the meetings' time, place, and agenda.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

*We reviewed the books and records of the District and found no deposits or entries that appeared to be loans.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

*Our review of the payroll records and discussions with District personnel found no evidence of bonuses, advances or gifts being made.

Our prior year report, dated March 17, 2006, included one management letter comment.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the LaSalle Parish Recreation District 22 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John R. Vercher PC

Jena, Louisiana
June 11, 2007

Basic Financial Statements

LaSalle Parish Recreation District 22
Olla, Louisiana
Statement of Net Assets
December 31, 2006

ASSETS

Current Assets

Cash	\$ 29,435
Petty Cash	370
Ad Valorem Tax Receivable	<u>37,387</u>
Total Current Assets	<u>67,192</u>

Non-Current Assets

Property, Plant, & Equipment	<u>413,625</u>
Total Non-Current Assets	<u>413,625</u>

TOTAL ASSETS	<u>480,817</u>
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LIABILITIES

Current Liabilities

Accounts Payable	<u>1,474</u>
Total Current Liabilities	<u>1,474</u>

Non-Current Liabilities

Notes Payable	<u>36,934</u>
Total Non-Current Liabilities	<u>36,934</u>

TOTAL LIABILITIES	<u>38,408</u>
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NET ASSETS

Invested in Capital Assets, Net of Related Debt	376,691
Unrestricted	<u>65,718</u>
TOTAL NET ASSETS	<u>\$ 442,409</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Statement of Activities
Year Ended December 31, 2006

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>CAPITAL GRANTS & OTHER CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE</u>
Governmental Activities:				
General Government - Judicial	\$ (48,740)	\$ 3,669	\$ 167,766	\$ 122,695
Recreational Activities:				
Interest Expense	(1,939)	-0-	-0-	(1,939)
Total	\$ (50,679)	\$ 3,669	\$ 167,766	120,756
REVENUES:				
Ad Valorem Taxes				80,438
Other Income				8,394
TOTAL REVENUES				88,832
CHANGE IN NET ASSETS				209,588
NET ASSETS - BEGINNING OF YEAR				232,821
NET ASSETS - END OF YEAR				\$ 442,409

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Balance Sheet
December 31, 2006

	GENERAL FUND
ASSETS	
Cash	\$ 29,435
Petty Cash	370
Ad Valorem Tax Receivable	37,387
TOTAL ASSETS	<u>67,192</u>
 LIABILITIES & FUND BALANCE	
LIABILITIES	
Accounts Payable	<u>1,474</u>
TOTAL LIABILITIES	<u>1,474</u>
 FUND BALANCES	
Unrestricted	<u>65,718</u>
TOTAL FUND BALANCES	<u>65,718</u>
 TOTAL LIABILITIES & FUND BALANCE	 \$ <u>67,192</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Reconciliation of the Balance Sheet
to the Statement of Net Assets
Year Ended December 31, 2006

Total fund balance – governmental funds	\$ 65,718
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(36,934)
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the balance sheet – governmental funds.	<u>413,625</u>
Total net assets of governmental activities	\$ <u>442,409</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balances
For The Year Ended December 31, 2006

REVENUE	
Ad Valorem Tax	\$ 80,438
Service Revenue	3,669
Other Revenue	8,394
TOTAL REVENUE	<u>92,501</u>
 EXPENDITURES	
Payroll & Related Taxes	18,359
Construction	314,535
Town of Urania	4,675
Capital Purchase	48,907
Office Expense	3,628
Professional Fees	1,916
Insurance	6,202
Supplies	2,872
Repairs	1,099
Utilities	7,805
Miscellaneous	2,184
Debt Service	8,346
TOTAL EXPENDITURES	<u>420,528</u>
 EXCESS REVENUES OVER (UNDER) EXPENDITURES	 <u>(328,027)</u>
 OTHER FINANCING SOURCES (USES)	
Capital Grant	167,766
TOTAL OTHER FINANCING SOURCES (USES)	<u>167,766</u>
 NET CHANGE IN FUND BALANCE	 (160,261)
 FUND BALANCE – BEGINNING OF YEAR	 <u>225,979</u>
FUND BALANCE – END OF YEAR	\$ <u>65,718</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

LaSalle Parish Recreation District 22
Olla, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2006

Net change in fund balance – total governmental funds \$ (160,261)

Amounts reported for governmental activities in the statement of
 Activities are different because:

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 6,407

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital Outlays	363,442	
Depreciation	-0-	
	363,442	363,442
Change in net assets of governmental activities		\$ 209,588

See accountant's report.
 The accompanying notes are an integral part of this statement.

**Notes to the Basic Financial
Statements**

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

LaSalle Parish Recreation District 22 was created on April 7, 1964 by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Recreational District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The District owns and operates recreational facilities and engages in activities designed to provide recreation to the Olla communities.

For financial reporting purposes, the District is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds maintained by LaSalle Parish Recreation District 22 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the LaSalle Parish Recreation District 22 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the District's activities; and
- A change in the fund financial statements to focus on the major funds.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the LaSalle Parish Police Jury is the financial reporting entity for LaSalle Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the LaSalle Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

LaSalle Parish Recreation District 22
Jena, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the District's board, the District was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following are the District's governmental funds:

General Fund - The primary operating fund of the District, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

LaSalle Parish Recreation District 22
Jena, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations. (See the reconciliation statements).

The amounts reflected in the General Fund of Statements in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Charges for services are recorded when received. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

LaSalle Parish Recreation District 22
Jena, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities are derived directly from the District's users as a charge for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

E. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

F. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>	
Buildings	40	years
Equipment	7	years

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

H. ESTIMATES

The preparation of financial statements inconformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. BUDGETS

Budgets for the LaSalle Parish Recreation District 22 are adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2006 was completed, published, and made available for public inspection in December 2005. The budget was legally adopted and amended, as necessary, by the LaSalle Parish Recreation District 22 following the public hearing. All expenditure appropriations lapse at year end. The LaSalle Parish Recreation District 22 has sole authority to make changes or amendments within various budget classifications.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At December 31, 2006, the District had cash and investments (bank balances) totaling \$36,477 as follows:

Cash in Bank	\$ 36,477
Total	\$ <u>36,477</u>

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2006, the District had \$36,477 in deposits (collected bank balances). These deposits are secured from risk by \$36,477 of federal deposit insurance and \$ -0- of pledged securities held by the custodial bank in the name of the fiscal agent bank.

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Cash and investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the district or its agent in the district's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the district's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the district's name.

Type of Investment	Category			Fair Market Value
	1	2	3	
FDIC	\$ 36,477	\$ -0-	\$ -0-	\$ 36,477
Securities	-0-	-0-	-0-	-0-
Total	\$ 36,477	\$ -0-	\$ -0-	\$ 36,477

3. RECEIVABLES

The ad valorem taxes receivable as of December 31, 2006 were \$37,387. Allowance for doubtful accounts is considered immaterial and is not presented.

4. CAPITAL ASSETS

Capital asset activity as of and for the year ended December 31, 2006, for the primary government is as follows:

	Beginning of Period	Additions	Deletions Transfers	End of Period
Capital Assets				
Land	\$ 12,760	\$ -0-	\$ -0-	\$ 12,760
Buildings	-0-	-0-	-0-	-0-
Equipment	-0-	-0-	-0-	-0-
Construction in Progress	37,423	363,442	-0-	400,865
Total Capital Assets	<u>50,183</u>	<u>363,442</u>	<u>-0-</u>	<u>413,625</u>
Accumulated Depreciation	-0-	-0-	-0-	-0-
Net Capital Assets	<u>\$ 50,183</u>	<u>\$ 363,442</u>	<u>\$ -0-</u>	<u>\$ 413,625</u>

Land in the amount of \$12,760 and Construction in Progress in the amount of \$400,865 are not being depreciated. In November 2004 the District's recreational building was destroyed by a tornado. As of December 31, 2006 the district was still in the process of rebuilding; therefore, no depreciation is being calculated.

5. ACCOUNTS PAYABLE

The payables of \$1,474 at December 31, 2006 were as follows:

Vendors Payable	\$ 1,474
Total	<u>\$ 1,474</u>

LaSalle Parish Recreation District 22
Olla, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

6. LONG-TERM OBLIGATIONS

The District has a line of credit with Southern Heritage Bank with an interest rate of 4.25%. The following is a summary of note payable transactions of the LaSalle Parish Recreation District 22 for the year ended December 31, 2006.

	<u>Balance</u> <u>12/31/2005</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>12/31/2006</u>
Southern Heritage Bank	\$ 43,340	\$	-0-	\$	(6,406)	\$	36,934

7. BOARD MEMBERS FOR THE YEAR ENDING DECEMBER 31, 2006

H.M. Vickers	Chairman
Gayle Meredith	Vice-Chairman
Carl Vickers	Board Member
Wendy Allbritton	Board Member
S.L. Etheridge	Board Member
Steve Barbo	Board Member

Board members are paid \$-0- for their services.

8. REVENUES FAILED TO MEET BUDGET

The District had an unfavorable budget variance of \$78,630 or 23.2% for revenues received during the year.

Required Supplementary Information

LaSalle Parish Recreation District 22
Olla, Louisiana
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2006

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Ad Valorem Tax	\$ 74,000	\$ 74,000	\$ 80,438	\$ 6,438
Service Revenue	12,292	12,292	3,669	(8,623)
Other Revenue	2,605	2,605	8,394	5,789
TOTAL REVENUES	<u>88,897</u>	<u>88,897</u>	<u>92,501</u>	<u>3,604</u>
EXPENDITURES				
Payroll & Related Taxes	30,000	30,000	18,359	11,641
Construction	468,760	468,760	314,535	154,225
Town of Urania	6,000	6,000	4,675	1,325
Capital Purchase	-0-	-0-	48,907	(48,907)
Office Expense	2,725	2,725	3,628	(903)
Professional Fees	2,000	2,000	1,916	84
Insurance	6,500	6,500	6,202	298
Supplies	6,000	6,000	2,872	3,128
Repairs	1,500	1,500	1,099	401
Utilities	5,850	5,850	7,805	(1,955)
Miscellaneous	1,060	1,060	2,184	(1,124)
Debt Service	8,500	8,500	8,346	154
TOTAL EXPENDITURES	<u>\$ 538,895</u>	<u>\$ 538,895</u>	<u>420,528</u>	<u>\$ 118,367</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(449,998)</u>	<u>(449,998)</u>	<u>(328,027)</u>	<u>121,971</u>
OTHER FINANCING SOURCES (USES)				
Capital Grant	100,000	100,000	167,766	67,766
Loan Proceeds	150,000	150,000	-0-	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>250,000</u>	<u>250,000</u>	<u>167,766</u>	<u>(82,234)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (199,998)</u>	<u>\$ (199,998)</u>	<u>(160,261)</u>	<u>\$ 39,737</u>
FUND BALANCE - BEGINNING			<u>225,979</u>	
FUND BALANCE - END			<u>\$ 65,718</u>	

See accountant's report.
The accompanying notes are an integral part of this statement.

Other Reports

JOHN R. VERCHER PC
Certified Public Accountant

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the District's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2006-M-1 Budget Variance in Excess of 5% (Unresolved)

Finding: The District had an unfavorable revenue variance of \$78,630 or 23.2% during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.

Recommendation: The District should amend the budget when revenues fail to meet budgeted revenues by 5% or more, or when expenditures exceed budgeted expenditures by 5% or more.

District's Response: The District will monitor its budgeted revenues and expenditures more closely and amend the budget when revenues fail to meet budgeted revenues by 5% or more.

**LASALLE PARISH RECREATION DISTRICT 22
OLLA, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Parish Recreation District 22, Olla, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2005.

PRIOR YEAR FINDINGS

2005-M-1 Budget Variance in Excess of 5% (Unresolved)

Finding: The District had an unfavorable expenditure variance of \$5,715 or 5.3% during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.

Corrective Action Taken: The District has begun to monitor its budgeted revenues and expenditures more closely and amends the budget when expenditures exceed budgeted expenditures by 5% or more.

LOUISIANA ATTESTATION QUESTIONNAIRE

JOHN R. VERCHER PC
Certified Public Accountant
P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2006 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 29, 2007 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.


Signature